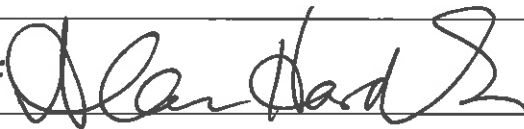


**POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE
REQUEST FOR DECISION**

REF: 003/2016

DATE: 4 February 2016

SUBJECT	ALLOCATION OF RESERVES AND REVISION TO THE REVENUE BUDGET 2015/16
REPORT BY	Commissioner's Chief Finance Officer & Force Chief Finance Officer
CONTACT OFFICER	Tony Tomlinson, Force Chief Finance Officer Tel: 01522 558515
EXECUTIVE SUMMARY AND PURPOSE OF REPORT To consider and approve the allocation of Earmarked Reserves to the Revenue Budget and the virement of existing revenue budget to the Capital Charges Account.	
RECOMMENDATION	<ol style="list-style-type: none">1. That the reallocation of reserves detailed in paragraph 6 be approved.2. That the allocation of the Earmarked reserves be approved as detailed in Paragraph 7.3. That the creation of the Earmarked Reserves detailed in paragraph 10 be approved.4. That the virement from the detailed budget headings to the Capital Charges account detailed in Paragraph 12 be approved.5. That the virements in relation to Innovation Fund scheme detailed in Paragraph 14 be approved.

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE	
I hereby approve the recommendation above, having considered the content of this report.	
Signature: 	Date: 04/02/16

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

1. The Commissioner maintains a policy on the levels of balances & reserves and, as part of the closure of the 2014/15 accounts, approved a series of earmarked reserves for specific purposes.
2. Financial Regulation 17.4 states that reserves may only be used with the approval of the Commissioner. This report seeks approval to release and make changes to certain earmarked reserves.

3. The planned reallocation of resources between approved budget heads is governed by the Financial Regulation 15.1, which sets a delegated limit for Budget holders of £100,000. As these proposals are in excess of this limit the Commissioner's approval is being sought.

Reallocation of Reserves

4. The following reserves have been identified as no longer being required for their original purpose and it is therefore proposed that they be transferred to the Budget Flexibility Reserve:
- Second Homes Reserve – remaining balance which is no longer required (£144.7k).
 - Restorative Justice Posts – Funding set aside for specific posts which are no longer required. (£10.9k).
 - Various Small Reserves - An unallocated balance of £14k has been identified within the small balances which were carried forward from 2014/15.
 - It has been identified that the Blue Light Integration reserve is held as part of the PCC's Development and Partnership Working Reserve and separate provision is not required, it is proposed that this amount be reclassified (£100.0k).
 - Major Incident Reserve Operation Tiffany – A reserve of £500k was made against the costs of this event in 2014/15, it is estimated that total costs will be £408k; the outstanding balance would be £92k.
5. The following table details the proposed movements:

Reserve	Amount £'000	Transfer To Budget Head/Account
Second Homes	144.7	Budget Flexibility Reserve
RJ Posts	10.9	Budget Flexibility Reserve
Various Reserves (under £40k)	14.0	Budget Flexibility Reserve
Blue Light Integration	100.0	Budget Flexibility Reserve
Major Incident Reserve Op. Tiffany	92.0	Budget Flexibility Reserve
Total	361.6	

Release of Reserves to Revenue Account

6. The following amounts are currently held in earmarked reserves following an allocation as part of the closedown of the 2014/15 accounts. It is proposed that they now be allocated into the revenue account:
- DPMU Officer Funding – Funding was provided for staffing within the Dangerous Persons Management Unit; this movement to the Police Staff Budget will cover the requirement for the 2015/16 financial year (£185.0k)
 - Mobile Data DRF – The funding of the capital scheme is in part from revenue funds which were set aside in 2014/15. This transfer is required to Capital Financing Charges to complete this transaction. Expenditure has been incurred on this project during 2015/16 (£280.0k).
 - Police Secure Network - The funding of the capital scheme is in part from revenue funds which were set aside in 2014/15. This transfer is required to Capital Financing Charges to complete this transaction. Expenditure has been incurred on this project during 2015/16 (£220.0k).
 - Mobile Data Capital Costs Wi-Fi – The original Business case identified the need to establish Wi-Fi hotspots across 30 stations; this funding was set aside in 2014/15 and following an appraisal by the Project Executive authority is

sought to release £63.0k for the implementation of this part of the project. It is anticipated in future years that the ongoing revenue charge of £20k per annum can be met from within the overall revenue allocation.

- Niche Data Quality team Contribution – The Regional Team has now been established and Lincolnshire’s contribution of £19.5k for 2015/16 is required to be released from the reserve established in 2014/15.
- Hi Tech Crime Computer Analysis – Crime Command identified funds in 2014/15 for the examination of seized computers; this work has been completed and the reserve is required to be released into the revenue account (£68.0k).
- Home Office ICT Charges – A late announcement of ICT charges for 2015/16 by the Home Office was made after the budget had been set. Funding was provided from 2014/15 to meet this cost and the reserve is required to be released into the revenue account (£102.0k).
- Major Incident Reserve Operation Tiffany – A reserve of £500k was made against the costs of this event in 2014/15, it is estimated that total costs will be £408k; it is proposed that this amount is released from the reserve.
- PCC Development and Partnership Working – expenditure on the Channel Management Project has been incurred for which funding was provided in this reserve during 2014/15; it is now requested that £110.0k is released.

7. The following table details the proposed movements:

Reserve	Amount £'000	Transfer To Budget Head/Account
DPMU Officer Funding	185.0	Police Staff
Mobile Data DRF	280.0	Capital Financing Charges
Police Secure Network	220.0	Capital Financing Charges
Mobile Data Capital Costs Wi-Fi	63.0	Capital Financing Charges
Niche Data Quality team Contribution	19.5	Regional Collaborations
Hi Tech Crime Computer Analysis	68.0	Crime Command-Other Expenditure
Home Office ICT Charges	102.0	ICT M & M
Major Incident Reserve Op. Tiffany	408.0	Major Incidents
Development and Partnership Working	110.0	Public Affairs Agency & Equipment
Total	1,455.5	

8. Approval is sought for the above allocation of reserves and the consequent budget virements required to the revenue account.

Establishment of Reserves

9. It is proposed that the following reserves be established from the 2015/16 revenue budget:

- PCC Transition – Further amount reserved for potential costs associated with transition. (£100.0k)
- Following the finalisation of the project, it is proposed that the balance of Lincolnshire’s Share of Round 1 Innovation Fund is transferred to the Budget Flexibility Reserve (£140.8k)
- Historic Pension Costs – The final invoice has been received for the payment of the additional pension costs in relation to the Regional Forensic TUPE Transfer it is proposed that the balance be transferred to the Budget Flexibility Reserve (£60.3k)

Transfer From Budget Head	Amount £'000	Transfer To Reserve
Council Tax Income	50.0	PCC Transition
Capital Financing Charges	50.0	PCC Transition
Innovation Fund Round 1	140.8	Budget Flexibility Reserve
Historic Pension Costs	60.3	Budget Flexibility Reserve
Total	301.1	

10. Approval is sought for the creation of the above reserves and the consequent budget virements required to the revenue account.

Budget Virement

11. It is proposed that additional budget provision is made in the Capital Financing Charges area of the budget in order to facilitate the most effective use of resources from the management of the PCC Debt Portfolio. This can be achieved by the following virement.

Transfer From Budget Head	Amount £'000	Transfer To Account
Capital Financing Charges - MRP	132.0	Capital Financing Charges - Debt Management
Police Officer salaries	700.0	Capital Financing Charges - Debt Management
Earned Income & Staff Recharges	168.0	Capital Financing Charges - Debt Management
Total	1,000.0	

12. Approval is sought for this virement.

Innovation Funds

13. In order to establish the Innovation Fund transactions within the revenue account the following virements are requested:

Budget Head	Amount £'000
Innovation Funds Round 1 - Income	(1,190.0)
Innovation Funds Round 1 - Expenditure Other Forces	995.0
Innovation Funds Round 1 - Expenditure	54.2
Transfer to Reserves	140.8
Total	-

14. Approval is sought for these virements.

A2. LINKS TO POLICE AND CRIME PLAN AND PCC'S STRATEGIES/PRIORITIES

No direct links other than the most effective use of resources for Policing in Lincolnshire.

B. FINANCIAL CONSIDERATIONS

Included within the report.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

[This should include the legal powers the PCC has for making the decision]

The proposals described in this paper respond to the requirements of the Police Reform & Social Responsibility Act 2011.

D. PERSONNEL AND EQUALITIES ISSUES

None.

E. REVIEW ARRANGEMENTS

The Revenue Budget is subject to regular monthly review.

F. RISK MANAGEMENT

The Financial, Regulations provide a framework for the operation of Internal Control and give assurance on financial processes. The transactions within this report conform to those requirements.

G. PUBLIC ACCESS TO INFORMATION

Information in this form along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC's website within one working day of approval. However, if release by that date would compromise the implementation of the decision being approved, publication may be deferred. An explanation for any deferment must be provided below, together with a date for publication.

Is the publication of this form to be deferred? No

If Yes, for what reason:

Until what date:

Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate part 2 form.

Is there a part 2 form? No

If Yes, for what reason:

ORIGINATING OFFICER DECLARATION

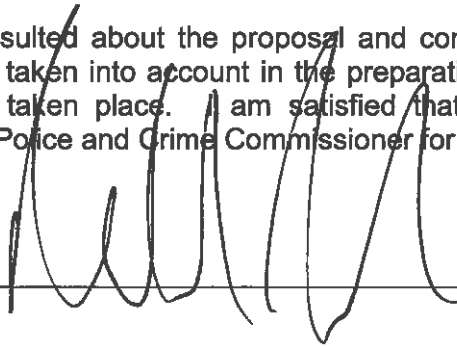
	Initial to confirm
Originating Officer: PCC's Chief Finance Officer recommends this proposal for the reasons outlined above.	JCF
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	JCF
The CC's Chief Finance Officer has been consulted on this proposal.	AJ/
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal	OS
Chief Constable: The Chief Constable has been consulted on this proposal	NR

OFFICER APPROVAL

Chief Executive

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. Consultation outlined above has also taken place. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner for Lincolnshire.

Signature:



Date: 4/2/16.